



**FOR IMMEDIATE RELEASE**  
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### **AG's Office Cautions Homeowners** *Adjustable Rate Mortgages May Lead to Foreclosure*

**(SANTA FE)**---Attorney General Gary King's office says there is potential trouble on the horizon for a significant number of New Mexico homeowners who have adjustable rate mortgages (ARMs). Recent national trends show nearly one out of five sub-prime mortgages of this type will end in foreclosure in the next couple of years.

The Attorney General's Office says the expected increased costs for the ARM loans when interest rates reset upward could make it difficult, if not impossible, for some homeowners to make their monthly mortgage payment.

Recently, homeowners have begun looking to refinance their homes only to learn that a slowing housing market has curbed the net increased equity in their property making it highly unlikely for them to refinance at a better rate.

The AG's office recommends that consumers who have mortgage questions or are concerned about default, interest rates or foreclosure, consult with a mortgage counselor **as soon as possible.**

Local advocacy groups are offering a Foreclosure Prevention Clinic to be held on Saturday, December 8, 2007 from 10 am to 2 pm. Counselors will be available to answer questions about foreclosures, discuss refinancing options and provide referrals. The clinic will be at the West Mesa Community Center located at 5500 Glenrio NW, Albuquerque, NM.

For tips on how to avoid foreclosure, visit the following website from the U.S. Department of Housing and Urban Development (HUD). <http://www.hud.gov/foreclosure/index.cfm>

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